(b) DISPOSITION OP PROPERTIES ON CREDIT TERMS.—Section 204(g) of the National Housing Act is amended by inserting after the period at the end of the first sentence the following new sentence: "The Secretary shall, by regulation, carry out a program of sales of such properties and shall develop and implement appropriate credit terms and standards to be used in carrying out the program.".

SEC. 137. REPORT REGARDING PROVIDING FORECLOSED PROPERTIES TO 1989 DISASTER VICTIMS.

(a) HUD.—

(1) STUDY.—The Secretary of Housing and Urban Development shall conduct a study regarding the feasibility of making available, to low-income persons whose homes in areas declared by the President as disaster areas as a result of hurricane Hugo or the Loma Prieta earthquake during 1989 were destroyed by such disasters, any available properties (including multifamily properties) owned by the Secretary.

(2) REPORT.—The Secretary of Housing and Urban Development shall submit to the Congress, not later than the expiration of the 90-day period beginning on the date of the enactment of this Act, a report regarding the results and conclusions of the study under paragraph (1), together with any recommendations for legislation regarding providing such property.

(b) FARMERS HOME ADMINISTRATION.—The Secretary of Agriculture shall conduct a study regarding the feasibility, of making available, as provided in subsection (aXl), any available properties (including multifamily properties) owned by the Secretary through the Farmers Home Administration and shall submit a report regarding such study as provided in subsection (aX2).

(c) CONSULTATION.—The Secretary of Housing and Urban Development and the Secretary of Agriculture shall consult in conducting the studies under subsections (a) and (b) and may submit a single report meeting the requirements of subsections (aX2) and (b).

SEC. 138. REPORT REGARDING ACTIONS TO IMPROVE DIRECT ENDORSEMENT PROGRAM.

(a) IN GENERAL.—With respect to the direct endorsement program in connection with single-family mortgage insurance under title II of the National Housing Act, the Secretary shall submit

to the Congress a report describing any actions the Secretary determines are necessary to take, to—

(3) improve monitoring and supervision under the program;

(4) reduce defaults under the program; and

(5) decrease the potential for fraud under the program.

(b) TIME OF SUBMISSION.—The Secretary shall submit the report under subsection (a) to the Congress not later than the expiration of the 6-month period beginning on the date of the enactment of this Act.

SEC. 139. CO-INSURANCE AMENDMENTS.

(a) IN GENERAL.—Section 244 of the National Housing Act is 12 USC 1715z-9. amended by adding at the end thereof the following new subsection:

"(i) The Secretary shall, by January 15 and July 15 of each year (1) review the adequacy of capital and other requirements for mortgagees under this section, (2) assess the compliance by mortgagees with such requirements, and (3) make such adjustment to such requirements as the Secretary, after providing opportunity for hearing,